

U.S. Economic Outlook for Mar. 17, 2023

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

	2022				2023				2024				2021	2022	2023	2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Production	q/q % chng : a.r.																
Real GDP (chain-weighted)	-1.6	-0.6	3.2	2.7	0.5	-1.0	-1.0	0.8	1.7	2.2	2.5	2.5	5.9	2.1	0.7	1.3	
Final Sales	-1.8	1.3	4.5	1.2	1.9	-1.0	-1.0	0.8	1.8	2.3	2.5	2.5	5.7	1.3	1.1	1.3	
Final Domestic Demand	1.3	0.2	1.5	0.7	2.1	-0.8	-0.9	0.8	1.8	2.2	2.5	2.5	6.7	1.7	0.6	1.3	
Consumer Spending	1.3	2.0	2.3	1.4	2.9	-0.7	-1.3	0.9	1.8	2.5	2.5	2.5	8.3	2.8	1.1	1.3	
Durables	7.6	-2.8	-0.8	-1.8	4.0	-3.0	-3.0	1.0	1.8	2.4	2.4	2.4	18.5	-0.5	-0.5	1.0	
Nondurables	-4.4	-2.5	-0.1	0.2	2.0	-3.0	-3.0	1.0	1.7	2.5	2.5	2.6	8.8	-0.5	-0.5	1.0	
Services	2.1	4.6	3.7	2.4	2.9	0.8	-0.2	0.8	1.8	2.4	2.5	2.5	6.3	4.5	2.1	1.5	
Government Spending	-2.3	-1.6	3.7	3.6	1.8	-0.5	0.5	0.0	1.7	1.8	1.9	1.9	0.6	-0.6	1.4	1.1	
Business Investment	7.9	0.1	6.2	3.3	0.1	-1.0	-0.2	1.5	1.7	1.8	2.7	2.7	6.4	3.8	1.3	1.5	
Non-residential Construction	-4.3	-12.7	-3.6	8.5	-2.0	-4.0	-3.0	1.0	1.5	1.8	2.5	2.5	-6.4	-6.9	-1.4	0.7	
Equipment	11.4	-2.0	10.6	-3.2	-2.0	-4.0	-1.0	1.4	1.6	1.8	2.5	2.5	10.3	4.3	-0.8	1.1	
Intellectual Property	10.8	8.9	6.8	7.4	3.0	3.0	1.5	1.7	1.8	1.8	3.0	3.0	9.7	8.9	4.3	2.0	
Residential Construction	-3.1	-17.8	-27.1	-25.9	-6.0	-4.0	-1.0	1.0	1.5	1.6	2.5	2.5	10.7	-10.7	-12.6	0.9	
Exports	-4.6	13.8	14.6	-1.6	-2.0	-3.0	-2.0	1.6	1.8	1.8	1.8	1.8	6.1	7.2	0.9	1.0	
Imports	18.4	2.2	-7.3	-4.2	0.0	-1.0	-1.0	1.5	1.8	1.8	1.8	1.8	14.1	8.2	-1.8	1.2	
Inventory Change	2012\$ blns : a.r.				65.0	65.0	65.0	65.0	61.0	61.0	62.0	62.0	-19.9	119.1	65.0	61.5	
Contrib. to GDP Growth	ppts : a.r.				-1.4	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.2	0.7	-0.3	0.0	
Net Exports	2012\$ blns : a.r.				-1,488.7	-1,430.5	-1,268.8	-1,238.4	-1,251.5	-1,261.5	-1,264.9	-1,268.9	-1,274.6	-1,280.3	-1,286.1	-1,291.8	-1,233.4
Contrib. to GDP Growth	ppts : a.r.				-0.3	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-1.3	-0.6	0.5	-0.1	
Nominal GDP	\$ blns : a.r.				24,741	25,249	25,724	26,145	26,399	26,541	26,675	26,889	27,129	27,415	27,710	28,015	23,315
Growth	q/q % chng : a.r.				6.6	8.5	7.7	6.7	3.9	2.2	2.0	3.3	3.6	4.3	4.4	4.5	10.7
Real GDP	y/y % chng				3.7	1.8	1.9	0.9	1.4	1.3	0.3	-0.2	0.1	0.9	1.8	2.2	4.6
Inflation	q/q % chng : a.r.																
GDP Price Index	8.3	9.0	4.4	3.9	3.5	3.2	3.0	2.4	1.9	2.0	1.9	1.9	4.5	7.0	3.8	2.2	
Core PCE Deflator	5.6	4.7	4.7	4.4	5.3	4.0	3.0	2.7	2.6	2.5	2.4	2.2	3.5	5.0	4.3	2.7	
CPI All Items	9.2	9.7	5.5	4.2	4.3	4.1	3.5	2.8	2.1	2.2	2.0	2.2	4.7	8.0	4.5	2.5	
Ex. Food and Energy	6.7	6.0	6.2	5.1	4.9	4.2	3.2	2.8	2.8	2.7	2.6	2.4	3.6	6.1	4.7	2.9	
Food Prices	10.3	11.9	12.3	8.3	5.7	3.8	3.0	2.8	2.8	2.7	2.6	2.4	3.9	10.0	6.4	2.8	
Energy Prices	35.9	46.6	-9.7	-10.6	-2.9	3.4	8.8	2.9	-7.2	-4.0	-5.5	-1.2	20.8	24.9	0.1	-1.6	
Services	6.1	8.5	7.7	7.0	7.1	5.5	4.1	3.4	2.8	2.7	2.6	2.4	2.8	6.2	6.3	3.1	
CPI All Items	y/y % chng				8.0	8.6	8.3	7.1	5.9	4.5	4.0	3.7	3.1	2.7	2.3	2.1	
Ex. Food and Energy	y/y % chng				6.3	6.0	6.3	6.0	5.5	5.1	4.4	3.8	3.3	2.9	2.7	2.6	
Core PCE Deflator	y/y % chng				5.3	5.0	4.9	4.8	4.7	4.6	4.2	3.7	3.1	2.7	2.5	2.4	
Financial	% : quarterly avg.																
Fed Funds Rate	0.21	0.96	2.63	3.79	4.63	5.04	5.13	5.13	4.79	4.54	4.29	4.04	0.13	1.90	4.98	4.42	
90-Day T-Bill	0.30	1.10	2.75	4.18	4.80	5.00	5.05	5.05	4.75	4.50	4.25	4.00	0.05	2.08	5.00	4.35	
1-Year T-Bill	0.96	2.20	3.40	4.61	4.70	4.65	4.60	4.50	4.25	4.05	3.90	3.70	0.10	2.79	4.60	4.00	
10-Year Bond Yield	1.94	2.93	3.10	3.83	3.65	3.90	3.80	3.55	3.45	3.40	3.35	3.30	1.44	2.95	3.75	3.40	
10-Year BBB Corporate Spread	ppts				1.37	1.68	1.90	1.85	1.70	2.06	2.33	2.40	1.70	2.06	2.12	2.30	
Foreign Trade	\$ blns : a.r.																
Current Account Balance	-1,130	-955	-868	-866	-856	-872	-873	-879	-874	-881	-888	-896	-846	-955	-870	-885	
Share of GDP	-4.6	-3.8	-3.4	-3.3	-3.2	-3.3	-3.3	-3.3	-3.2	-3.2	-3.2	-3.2	-3.6	-3.8	-3.3	-3.2	
Merchandise Balance	-1,367	-1,244	-1,085	-1,118	-1,133	-1,147	-1,155	-1,164	-1,175	-1,186	-1,197	-1,209	-1,090	-1,203	-1,150	-1,192	
Non-Merchandise Balance	237	289	216	251	277	274	282	286	301	305	309	313	244	248	280	307	
Yen	¥/US\$: qtr. avg.				116	130	138	141	129	128	127	125	110	131	132	127	
Euro	US\$/€ : qtr. avg.				1.12	1.06	1.01	1.02	1.11	1.11	1.12	1.13	1.18	1.05	1.08	1.12	
Pound	US\$/£ : qtr. avg.				1.34	1.26	1.18	1.17	1.26	1.26	1.27	1.28	1.38	1.24	1.22	1.27	
Trade-Wt. Dollar (broad)	Jan. '97 = 100				115.5	118.9	123.5	124.8	120.6	121.0	120.1	119.2	118.5	117.9	117.3	116.8	113.1
WTI Spot	US\$/bbl : qtr. avg.				94.4	108.6	92.6	82.8	78.2	83.5	88.3	90.0	85.0	82.5	77.5	75.0	68.0
Henry Hub Spot	US\$/mmbtu : qtr. avg.				4.7	7.5	8.0	5.5	3.0	3.5	3.5	4.0	4.0	4.0	4.0	4.0	3.9
Incomes	y/y % chng																
Pre-Tax Profits w/IVA,CCA	10.9	7.7	5.5	4.6	4.1	-0.5	-0.4	0.2	1.3	2.4	3.4	4.0	22.6	7.1	0.8	2.8	
Personal Income	-3.5	3.2	4.6	5.6	6.2	5.8	4.8	3.9	3.7	4.1	4.6	5.1	7.4	2.4	5.1	4.4	
Real Disposable Income	-12.8	-5.6	-3.8	-1.4	3.1	3.6	2.8	1.8	0.8	1.6	2.5	3.1	1.9	-6.1	2.8	2.0	
Savings Rate	% : quarterly avg.				4.3	3.2	3.2	3.9	4.9	4.9	5.2	5.2	5.4	5.5	5.7	5.9	12.0
Other Indicators	quarterly avg.																
Unemployment Rate	percent				3.8	3.6	3.5	3.6	3.5	4.0	4.6	4.8	4.8	4.7	4.6	4.5	5.4
Housing Starts	mlns : a.r.				1.72	1.65	1.45	1.40	1.40	1.38	1.34	1.37	1.40	1.41	1.41	1.42	1.61
Existing Home Sales	mlns : a.r.				5.98	5.37	4.78	4.20	4.02	4.01	4.03	4.11	4.27	4.51	4.75	4.96	6.13
Home Prices (Case-Shiller)	y/y % chng				20.2	20.1	13.1	6.7	-2.3	-10.8	-12.0	-9.8	-6.1	-1.3	1.8	2.2	16.9
Motor Vehicle Sales	mlns : a.r.				14.3	13.4	13.5	14.5	15.3	14.3	15.0	15.3	15.8	16.0	16.1	16.2	15.1
Civilian Employment Growth	q/q % chng : a.r.				6.2	1.1	1.3	0.5	3.9	0.1	-0.8	0.3	1.1	1.2	1.3	1	

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